

Cedar Glen Disaster Recovery Redevelopment Project Area
Project Area Committee

Friday, April 21, 2006
Fire Station 91
301 S. State Highway 173, Lake Arrowhead, CA
1:30 PM

Prior to the start of the Project Area Committee (PAC) meeting, an informational session was held to discuss items on the agenda that did not require any official action by the PAC. When quorum was reached, the meeting began (see page 3).

INFORMATIONAL SESSION

Staff Present

Kathy Thomas	Redevelopment Administrator
Thomas Sutton	Director, Special Districts
Jim Oravets	Division Chief, Special Districts
Patricia Cole	Administrative Analyst III
Gary Hallen	Redevelopment Analyst
Jordan Price	Redevelopment Analyst
Robin Wilson	Redevelopment Analyst
Ted Ciabattini	Housing Specialist, Community Development & Housing
Danielle Borish	Field Representative 3 rd Supervisorial District

The Informational Session began when Pat Cole introduced Kathy Thomas, the County of San Bernardino Redevelopment Agency's Redevelopment Administrator. Aided by staff, Pat Cole reviewed the items that were promised to the PAC at its last meeting on January 27, 2006.

These items included:

- **Timeline.** Since the Redevelopment Agency's work is not always visible to the public, a timeline was created to show the PAC what work had been completed since the Old Fire of 2003.
- **Future Road Work.** After community members and PAC members indicated they did not have enough time to review the Transportation Study/Road Priorities, the Redevelopment Agency coordinated a meeting between the public and the Special Districts Department.
- **Housing Assistance Information.** At the prior PAC meeting, the PAC indicated to Redevelopment Agency staff that they did not have enough information about the number of people who needed assistance to make educated decisions about the types of housing programs they should recommend.
 - a. **Survey.** Staff worked with PAC members to develop an Income Eligibility Survey that was distributed to all residents and tenants of the Project Area. The results of this survey were distributed at the meeting.
 - b. **Census Data.** Staff worked with other County departments to find usable data for the Cedar Glen Project Area. Since the Project Area is divided by several census tracts, some of the information is not applicable.

Tom Sutton briefly discussed the ongoing due diligence activities that the Special Districts Department has been conducting regarding the possible purchase of the Arrowhead Manor

Water Company. The following discussion points have been taken directly from a handout provided by the Special Districts Department.

- **County Loan** - \$800,000 loan from County General Fund as approved by the County Board of Supervisors (BOS) on June 7, 2005. Loan agreement is currently being prepared.
- **District Formation** - County Service Area 70, Improvement Zone CG was formed by the BOS on July 12, 2005.
- **DWR Loan** - Options for \$1,200,000 Department of Water Resources loan balance being discussed for alternatives to reduce or forgive the loan, beginning in November 2005 and continue.
- A water system evaluation for compliance with the State requirements was completed on November 9, 2005. The system identified three phases of construction which included storage, production and pipelines in each at a cost of approximately \$10,500,000 (Phase 1 - \$2,000,000, Phase 2 - \$4,500,000 and Phase 3 - \$4,000,000).
- Loan between County and RDA was approved by the BOS on December 6, 2005. Allocated \$4,600,000 for water improvements to be funded incrementally over a 2-year period.
- CBDG/FEMA Disaster grant offer of \$3,000,000 for water improvements on February 17, 2006. Anticipate an invitation to submit the completed application by the end of May 2006.
- Purchase agreement for the purchase of the Arrowhead Manor Water Company has been drafted and is currently in review.
- Water improvements will result in 1" metered connections for all customers of the water district at the end of the 5-year construction period.
- Average water rate increase for existing metered customers estimated between 40-85 percent depending on consumption.
- Average water rate increase for existing flat rate customers estimated between 200-500 percent depending on consumption (rate increase is based on average metered rate).
- The Road Improvement Project, originally prepared by the County Transportation Department, included approximately 28 miles of roadways.
- The cost for road maintenance, including snow removal, grading, and culvert cleaning is estimated to cost between \$300-\$500 per year per parcel depending on the level of service requested.

For additional information regarding the Special Districts Department and water and road work in the Project Area please contact Jim Oravets at 909-387-5940.

A member of the public asked if excess water belonging to the future County-run water system could be sold to LACSD. Tom Sutton indicated yes, excess water could be sold ("wheeled") to another system; and that the proceeds could be used to offset customers' water bills.

A member of the public asked if rates could be adjusted or lowered for those who could not afford to pay the increased rates. Tom Sutton said that a public water system cannot subsidize its customers.

Kevin Ryan thanked the staff for the work that had been completed and asked staff if they could prepare a flow chart indicating the various sources of funds that would be benefiting the

Project Area as well as the projects that the funds would be spent on. Kevin Ryan and Kathy Thomas discussed his concerns regarding the allocation of future funds and the implication of these allocations to housing programs.

A member of the public asked how long it would take for the construction to start on the Arrowhead Manor Water Company and also for improvements to the system to be completed. Tom Sutton indicated that within three months, he expects the Special Districts Department to go before the Board of Supervisors to request approval for the purchase of the water system. After the purchase of the water system, it is expected that the improvements will be completed in five years.

Tom Sutton also said that a community meeting will be held most likely in June to update the community on the water situation. This meeting will be held at the Lake Arrowhead Elementary School. Pat Cole recommended that everyone attend this meeting.

- Dick Pretzinger asked if select PAC members and community members could review the improvement plans for the County-run Arrowhead Manor Water Company. Redevelopment Agency staff indicated that they would coordinate the meeting.

DRAFT MINUTES

Members Present

Dick Pretzinger	Resident Owner-Occupant (Chair)
Kevin Ryan	Resident Owner-Occupant
Larry Doetsch	Resident Second-Home Owner
Wayne Palmer	Christmas in April

Members Absent

Pete Markovich	Business Owner
Chuck Peters	Lake Arrowhead Comm. Chamber of Commerce (Vice Chair)

Call to Order

Meeting called to order by Dick Pretzinger at 2:48 p.m.

Certification of Posting

Staff certified the agendas were posted at the following locations:

- Cedar Glen Post Office
- Fire Station 91
- Cedar Glen Trading Post and Hardware
- Lake Arrowhead Post Office

Approval of Minutes

Kevin Ryan made a motion to approve the minutes of the PAC meeting of January 27, 2006, seconded by Wayne Palmer. Approved unanimously.

Old Business

- (A) Staff report and update regarding information requested at the January 27, 2006 PAC meeting and introduction of the Redevelopment Administrator, Kathy Thomas.

Kathy Thomas introduced herself and directed Redevelopment Agency staff to present an outline of prospective housing programs. Redevelopment Agency staff briefly explained the purpose of the meeting.

- (B) Cedar Glen housing programs – Review possible programs to assist in the rebuilding effort. PAC members' decision points: types of programs, money per program, money per household, grants or loans, loan terms.

Redevelopment Agency staff presented the information contained in the packet, "Cedar Glen Housing Programs." Of the six programs listed, staff recommended three be approved by the PAC. For each program, the PAC needed to make a decision on the following items:

- Amount of money for each program
- Amount of money per property owner
- Grants or Loans
- Loan Terms

After staff presented the housing programs packet, various PAC members and members of the public requested more specific information. Redevelopment Agency staff noted the questions and indicated they would meet with County Counsel to determine the answers to the questions. The following is a summary of the specific questions asked by the PAC:

- For a mortgage write-down program, would the County take the First or the Second?
- Since the "gap" in the insurance gap assistance program can be reduced by the ease it takes to receive a loan, why even have this program?
- Prior to the Board of Supervisors approving the Housing Program, can Redevelopment Agency staff prepare a preliminary housing application form? Through the utilization of this form, applicants can be processed concurrent to the program's approval.
- Regarding the Q&A handout, at what point has a person "begun building?"
- What programs are available for tenants or secondary home owners? Staff responded that tenant-based programs are a possible option, but they will be developed after the owner-occupied residential programs.
- Housing programs need to have clearer definitions.

- There were concerns about the Lot Merger Program as there are costs in addition to the fees charged by the County. Danielle Borish mentioned the 3rd District is in negotiations with the Planning Department to get the lot merger fees reduced or waived, and she will talk with Supervisor Hansberger.
- There were concerns about what counted as "income" in regard to the income eligibility figures.

Kathy Thomas suggested that the Redevelopment Agency facilitate another PAC meeting prior to the Community Meeting. This PAC meeting could be used to update the PAC on the questions that they and the public had regarding the housing programs.

Larry Doetsch motioned that the PAC approve the types of housing programs that Redevelopment Agency staff recommended to the PAC. Wayne Palmer seconded the motion. It passed unanimously.

Insurance Gap Financing Program

Redevelopment Agency staff presented information about the amount that would go to the Insurance Gap Financing Program.

Redevelopment Agency staff presented information about loans vs. grants for the Insurance Gap Financing Program.

Larry Doetsch motioned that the PAC approve the Redevelopment Agency staff recommendation. Wayne Palmer seconded the motion. It passed unanimously.

Kevin Ryan asked if it would be possible for people to apply to more than one program. Staff indicated that would be allowed.

Redevelopment Agency staff presented information about the amount that would go to each household applying to the Insurance Gap Financing Program.

Larry Doetsch motioned that the PAC approve the Redevelopment Agency staff recommendation. Kevin Ryan seconded the motion. It passed unanimously.

Redevelopment Agency staff presented information about the financing terms for the Insurance Gap Financing Program.

Larry Doetsch motioned that the PAC approve the Redevelopment Agency staff recommendation. Kevin Ryan seconded the motion. It passed unanimously.

Major/Minor Rehabilitation Assistance Program

Redevelopment Agency staff presented information about loans vs. grants for the Major/Minor Rehabilitation Assistance Program.

Wayne Palmer motioned that the PAC approve the Redevelopment Agency staff recommendation. Kevin Ryan seconded the motion. It passed unanimously.

Redevelopment Agency staff presented information about the amount that would go to each household applying to the Major/Minor Rehabilitation Assistance Program.

Larry Doetsch motioned that the PAC approve the Redevelopment Agency staff recommendation. Wayne Palmer seconded the motion. It passed unanimously.

Redevelopment Agency staff presented information about the financing terms for the Major/Minor Rehabilitation Assistance Program.

Larry Doetsch motioned that the PAC approve the Redevelopment Agency staff recommendation. Wayne Palmer seconded the motion. It passed unanimously.

Lot Consolidation Assistance Program

Redevelopment Agency staff presented information about loans vs. grants for the Lot Consolidation Assistance Program.

Wayne Plamer motioned that the PAC approve the Redevelopment Agency staff recommendation. Kevin Ryan seconded the motion. It passed unanimously.

Redevelopment Agency staff presented information about the amount that would go to each household applying to the Lot Consolidation Assistance Program.

Wayne Plamer motioned that the PAC approve the Redevelopment Agency staff recommendation. Larry Doetsch seconded the motion. It passed unanimously.

Redevelopment Agency staff presented information about the financing terms for the Lot Consolidation Assistance Program.

Wayne Plamer motioned that the PAC approve the Redevelopment Agency staff recommendation. Larry Doetsch seconded the motion. It passed unanimously.

New Business

- (A) Staff report and update regarding information requested at the January 27, 2006 PAC meeting and introduction of the Redevelopment Administrator, Kathy Thomas.

This information was discussed during the Informational Session.

- (B) Special District Report of status of Road and Water Improvement.

This information was discussed during the Informational Session.

Public Comments

None

PAC Members Comments

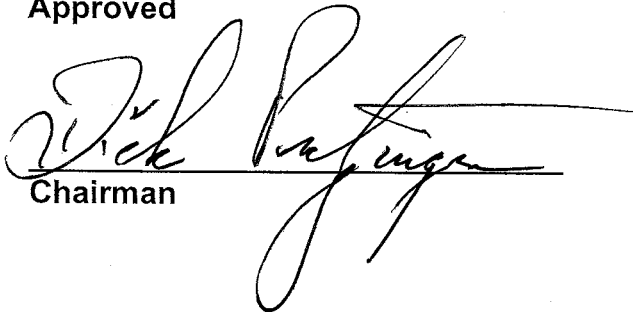
None

Staff Comments

Staff assured the PAC and the community that all of the housing programs that were approved will be adjusted to include updated definitions. Pending the availability of Fire Station #91, the next PAC meeting will be scheduled for May 26, 2006 1:30 pm.

The meeting adjourned at 3:55 pm.

Approved


Chairman

